

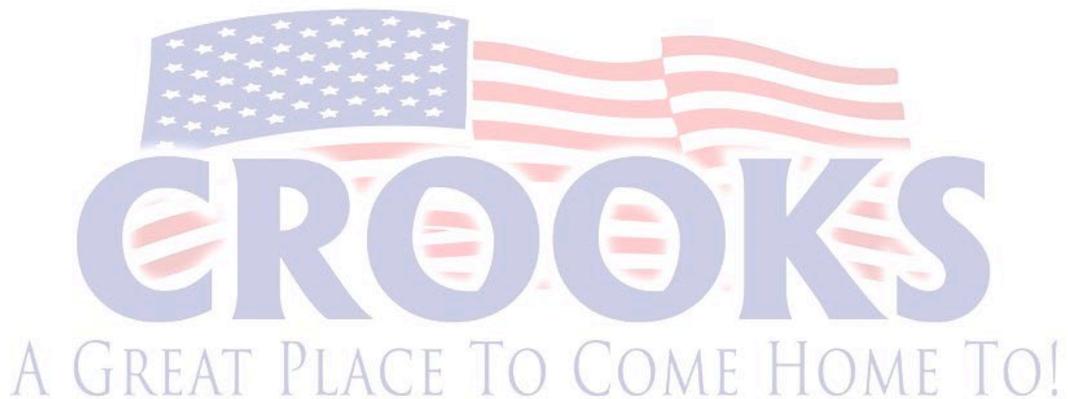
City of Crooks
Planning and Zoning Commission
Meeting agenda

Date: 12/12/2022

Time: 6:30pm/CST

Location: Crooks Community Center (701 S West Ave, Crooks, SD, 57020)

- 1) Call to order
- 2) Approve posted agenda
- 3) Approve meeting minutes
- 4) Open Comments
- 5) Public hearings:
 - a. Addendum to TIF #2 plan
- 6) New business:
 - a. Resolution 2022-03: Approving increased project costs for TIF#2
- 7) Old business: None.
- 8) Adjourn



City of Crooks
Planning and Zoning Commission
Meeting minutes
September 26, 2022

At 7:00pm, Director Richardson called the meeting to order at the Crooks Community Center. Answering roll call were Commissioner Glasford, Commissioner Masgai, Commissioner Gillespie, Commissioner Jongewaard, Commissioner Papke, Commissioner Hemme, and PZ Director Richardson.

Approve posted agenda. Motion by Jongewaard to approve agenda, seconded by Papke. No discussion. All aye, motion carries.

Approve meeting minutes. Motion by Masgai to approve meeting minutes, seconded by Glasford. No discussion. All aye, motion carries.

Open comments.

- a. Andrew Henning. Garage parking pad and fence ordinance discussed/clarification. Follow-up on prior parking pad violation was discussed. New city limit northern boundary speed limit reduction signage placement time-line discussed. No other public comment.

Public hearings. No public hearings were scheduled.

New business.

- a) Comprehensive plan Chapters 5 – 8 reviewed and discussed.

Old business. None.

Adjourn. Motion by Jongewaard to adjourn meeting at 7:31pm, seconded by Hemme. No discussion. All aye, motion carries.

Respectfully submitted,
Scott Richardson
Director of Planning and Zoning
City of Crooks, SD



TAX INCREMENT FINANCE DISTRICT

#2

Submitted by:
DWBP, LLC

Revised December 2022

Prepared by Tobin Morris
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INTRODUCTION – THE PROJECT

Tax Increment Financing (TIF) is an incentive utilized by local governments to attract private development and investment. New investment equals new jobs, more customers, and in turn, more investment opportunity. The incentive can also help attract and retain existing businesses and workers that might otherwise find more attractive options elsewhere. The jobs and additional investment, both private and public, mean more money for the community. Tax Increment Financing helps to overcome costs that often prevent redevelopment and private investment from occurring in the community. As a result, the TIF area itself improves and property values increase.

Specifically, money for improvements and other incentives comes from the growth in property valuations and the corresponding property tax revenues — the tax increment. A tax increment is the difference between the amount of property valuation present within the TIF district before TIF district designation and the amount of property valuation increase due to the creation of a TIF district. Property taxes collected on the original valuation existing in the TIF at the time of its designation continue to be distributed to the city, school district, county and all other taxing districts in the same manner as if the TIF district did not exist. Only property taxes collected as a result of the incremental increase in the value of these properties after formation of the TIF district are available for use by the counties or cities to fund projects costs in the TIF district.

In addition to increasing property valuation, creating a Tax Increment District for the benefit of economic development can mean retaining and creating more jobs. Today's business climate allows corporations the flexibility to call any state in the union their home. It is up to local communities to attract and retain companies to their communities. Using Tax Increment Financing is one of the most powerful economic development tools to help communities achieve their goals.

A local government, per South Dakota Codified Law, Chapter 11-9, can designate a specific area within its boundaries as a redevelopment area appropriate for a TIF district and prepare a plan for development. TIF projects must be recommended for approval by the County or City Planning Commission and the County or City Commission/Council.

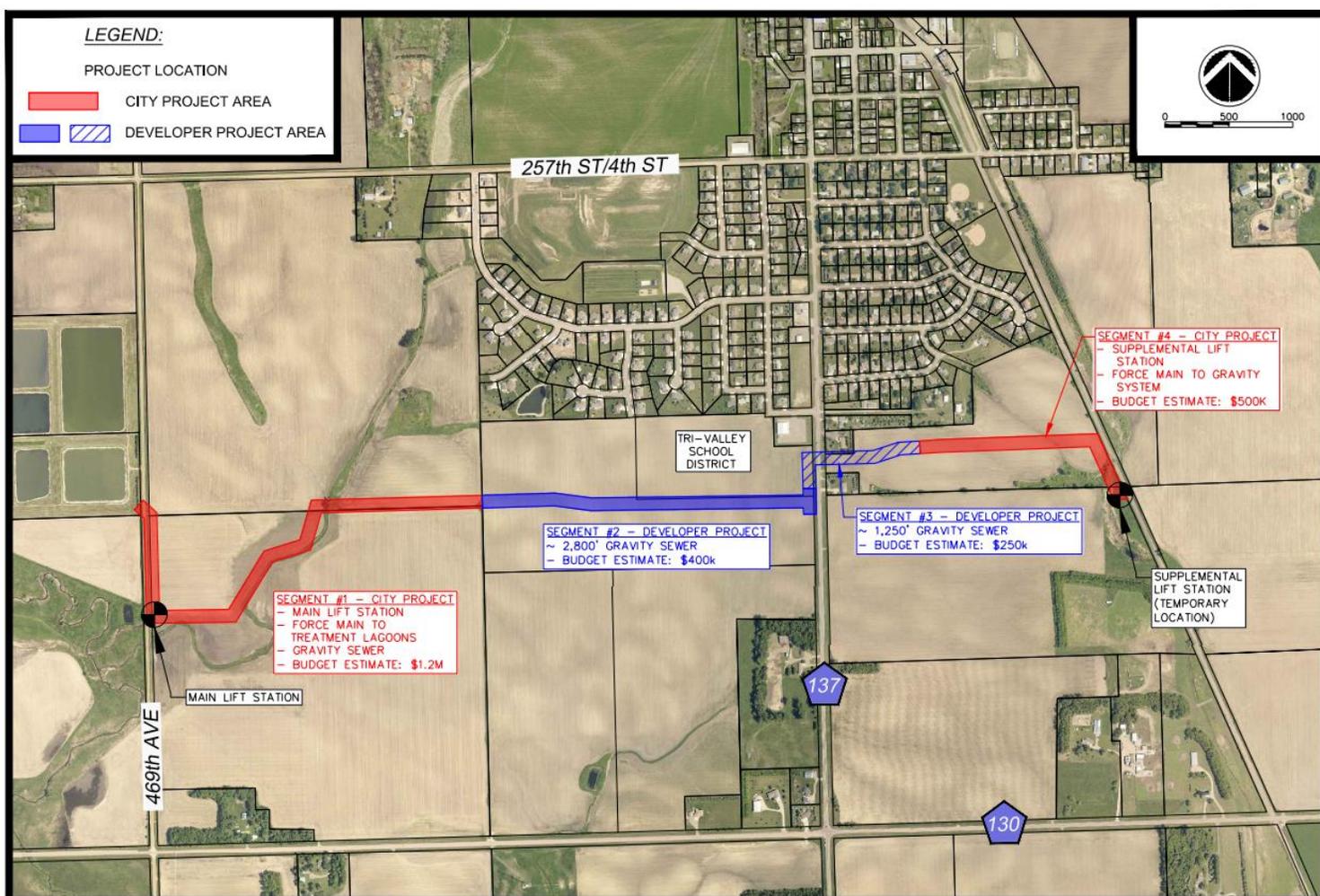
The primary objective of TIF #2 is to develop a currently undeveloped property to augment the multi-family residential housing and commercial presence. The property will abut the area that is currently under construction for the Tri-Valley School District. Once developed, 6 acres will be the site of various retail and commercial properties. Not only will these businesses draw additional sales tax revenue to the city, but they will help create job opportunities in the City of Crooks.

The addition to the TIF plan is SLH Holdings. The primary focus of SLH in real property is Senior Living, Multi-Family and Residential. HME manages all property, marketing, design, construction. Financing, accounting administrative and human relation functions for SLH Holdings and the entities. HME Development has focused its talents and substantial resources on supplying that segment of the population unique sites that will keep residents with their families and friends.

Historically, a majority of the population of the southeastern region has been concentrated within Sioux Falls. However, there has been a dramatic increase in housing construction in the neighboring cities. Crooks is expected to experience a strong population growth over the next decade due to the proximity to Interstate 29, along with other important growth indicators, such as urban services and employment opportunities. A healthy mix of housing options ensures opportunities for all individuals to improve their economic situation and contribute to their communities.

It must be noted that the TIF will not directly benefit the residential housing development that will be established in the western portion of the Project area. Rather, it will be the increment from these single-family properties that will be used to make the needed infrastructure improvements to develop the area into a commercial area.

Growth presents an abundance of opportunities, but it comes with a certainty of change. A portion of this TIF will go toward updating and expanding the area sanitary district to eliminate groundwater contamination and health risks. The project includes a main sanitary sewer lift station, a supplemental lift station and expansion of project segments.



PURPOSE & GENERAL DEFINITIONS

The property upon which this Tax Incremental District (TID) is proposed to be implemented is located within the City of Crooks, South Dakota.

As such, the creation of City of Crooks TIF #2 shall be conditioned upon the creation of the District by resolution, and the establishment of the TID boundaries and recommendation of the TID Project plan by the City of Crooks Planning and Zoning Commission.

The purpose of this Plan, to be implemented by City of Crooks, South Dakota is to satisfy the requirements for a Tax Increment District Number 2 as specified in SDCL Chapter 11-9. The principal purpose of the Plan is to define eligible property and to define a Tax Increment Plan for funding eligible activities in an eligible area of the City. The Plan will describe the boundary, estimated costs, feasibility and fiscal impact of the District.

This Plan was prepared for adoption by the City Council in recognition that the area requires a coordinated, cooperative strategy, with financing possibilities, to promote economic development and accomplish the City's development objectives for improving the continued viability by promoting economic development within the City.

The driving interest in the establishment of this Plan is to offer tax increment financing as a tool to stimulate and leverage private sector development and redevelopment, and to promote economic development throughout the District.

The intention of this TIF Project is to increase the economic vitality of the community by creating multi-family housing, commercial area, and a senior living facility near the site of a future school. Access to various housing options, commercial opportunities, and the implementation of a senior living facility improves a community's ability to attract and retain residents and remain competitive the in global economy.

General Definitions

The following terms found in this Plan are defined as the following:

"Base" or "Tax Incremental Base" means the aggregate assessed value of all taxable property located within a Tax Incremental District on the date the district is created, as determined by SDCL § 11-9-20.

"Blighted or Economic Development" SDCL § 11-9-8.

- (1) Not less than twenty-five percent, by area, of the real property within the district is a blighted area or not less than fifty percent, by area, of the real property within the district will stimulate and develop the general economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and or
- (2) The improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the district.

"City Council" means the City Council of Crooks, South Dakota.

"Calendar Year" means the starting date of January 1 to an ending date of December 31st.

"Department of Revenue" means the South Dakota Department of Revenue.

"Developer" means DWBP, LLC.

"Developer's Agreement" means the agreement between Developer and City of Crooks concerning this Tax Incremental District.

"District" means the Tax Incremental District.

"Economic Development" means all powers expressly granted and reasonably inferred pursuant to SDCL § 9-54.

"Fiscal year" means that fiscal year for City of Crooks.

"Generally Applicable Taxes" shall have the same meaning as set forth in 26 CFR § 1.141-4(e).

"Governing body" means the City of Crooks Council, South Dakota.

"Grant" means the transfer for a governmental purpose of money or property to a transferee that is not a related party to or an agent of the municipality;

"Infrastructure Improvements" means a street, road, sidewalk, parking facility, pedestrian mall, alley, bridge, sewer, sewage treatment plant, property designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, waterway, waterline, water storage facility, rail line, utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or improvement, for the benefit of or for the protection of the health, welfare, or safety of the public generally.

"Planning Commission" means the City of Crooks Planning and Zoning Commission

"Plan" means this Project Plan.

"Project Costs" means any expenditure or monetary obligations by City of Crooks, whether made, estimated to be made, incurred or estimated to be incurred, which are listed as Project Costs herein will include any costs incidental thereto but diminished by any income, special assessments, or other revenues, other than tax increments, received, or reasonably expected to be received, by City of Crooks in connection with the implementation of this Plan.

"Project Plan" means a properly approved Plan for the development or redevelopment of a tax incremental district including all properly approved amendments thereto as recommended pursuant to SDCL § 11-9-13.

"Public Works" means the infrastructure improvements, the acquisition by purchase or condemnation of real and personal property within the Tax Incremental District and the sale, lease, or other disposition of such property to private individuals, partnerships, corporations, or other entities at a price less than the cost of such acquisition which benefit or further the health, safety, welfare and economic development of the City and Project Costs.

"Taxable Property" means all real taxable property located in a Tax Incremental District.

"Tax Incremental District" means a contiguous geographic area within a city defined and created by resolution of the governing body and named City of Crooks Tax Incremental District #2.

"Tax Increment Valuation" is the total value of the Tax Incremental District minus the tax incremental base pursuant to § 11-9-19.

"Tax Increment Law" means South Dakota Codified Laws Chapter 11-9.

CREATION OF CITY OF CROOKS TAX INCREMENT DISTRICT #2

Representatives of the Developer have approached officials of City of Crooks regarding the possibility of creating a Tax Incremental Financing District (“TID”) to assist in the Project Costs within the Plan on land located within City of Crooks.

The TID will consist of creating a new development in the City of Crooks and all necessary infrastructure needed in an undeveloped area that is currently on the southern area of the city. Sanitary sewer expansion is required to accommodate the increase of residential housing, multi-family housing, commercial growth and the addition of a senior living facility throughout the area.

Once developed, the area will be the site of a various commercial properties, apartment buildings and a senior living facility. The concept is the City’s vision to add attractive facilities and services for its residents. Investing in the community and its infrastructure will make Crooks desirable to live in and will become key components to the city’s long-term success and viability.

Property Within Tax Increment #2

The real property to be located within the Tax Increment District is within the City of Crooks, described as follows:

- Tract 1 of Benson’s 3rd Addition, except Lot 1 and Tract 1 of Tri-Valley Addition, an addition in the Northeast Quarter and the Southeast Quarter of Section 10, Township 102 North, Range 50 West of the 5th Principal Meridian, Minnehaha County, South Dakota

TAXABLE VALUE OF CITY OF CROOKS

State law requires that tax increment districts cannot exceed ten percent of the taxable value of a municipality. The 2021 Taxes Payable value for City of Crooks is \$95,778,836. The base value of the taxable property for inclusion into this Tax Incremental District #2, as estimated but not yet verified by Minnehaha County Director of Equalization, is \$136,700.

11-9-7. Maximum percentage of taxable property in municipality permitted in districts. In order to implement the provisions of this chapter, the resolution required by § 11-9-5 shall contain a finding that the aggregate assessed value of the taxable property in the district plus the **tax incremental base of all other existing districts does not exceed ten percent** of the total assessed value of taxable property in the municipality.

CITY OF CROOKS

Tax Increment District	Base Value
1	\$109,900
2	\$136,700
TOTAL	\$246,600

Crooks City Current Taxable Value	95,778,836
All TIF Base Value must be less than 10%	9,577,884

The total value of all active TIF districts in City of Crooks is less than ten (10) percent of total taxable value in the city. Using the estimates provided for TID #2, the value of all existing Tax Incremental Districts combined is 1% of the total 2021 Taxable Valuation.

KIND, NUMBER, LOCATION, AND DETAILED COSTS OF PROPOSED PUBLIC WORKS AND IMPROVEMENTS – SDCL § 11-9-13(1)

In order to implement the provisions of SDCL Chapter 11-9, the following are Project Costs and expenditures made or estimated to be made and the monetary obligations incurred or estimated to be incurred. The Project Costs include capital costs, financing costs, real property assembly costs, professional fee costs, imputed administration costs, relocation costs, organizational costs, discretionary costs and grants, plus any costs incidental thereto.

All Project Costs are found to be necessary and convenient to the creation of the Tax Incremental District and its implementation. The project constitutes economic development which is a proper public purpose of the City. The City exercises the powers expressly stated in and reasonably inferred by SDCL §11-9-15 and Chapter 9-54. The City shall enter into all contracts in accordance with South Dakota Law.

Costs of Public Works and Improvements

In accordance with SDCL § 11-9-14 the following is the kind, number, location and dollar amount of estimated Project Costs, costs of public works and improvements.

The following are estimated costs of the Project:

Kind of Project	Location ¹	Amount	Reference ²
Capital Costs (Street, Water & Sewer) (cleaning & grading of land & associated costs) ²	District		11-9-15(1)
Financing Costs	District		11-9-15(2)
Real Property Assembly	District		11-9-15(3)
Professional Fees	District		11-9-15(4)
Administrative Costs	District	\$1,000,000	11-9-15(5)
Relocation Costs	District		11-9-15(6)
Organizational Costs	District		11-9-15(7)
Discretionary Costs and Grants	District	\$4,000,000	11-9-15(8)
Eligible Project Costs		\$5,000,000	

A detailed list of preliminary costs are itemized in Schedule 1 of the TIF Plan

The above are estimates of the costs involved in the project; the final total may be greater or smaller. An itemized listing of the estimated costs is set forth on Schedule 1. Because the cost estimates are only projected expenditures, the total authorized TID costs is expected to be \$5,000,000. This amount is the controlling value with respect to authorized TID Project Costs rather than the particular line item amounts contained in the above Chart and Schedule 1. The line item categories proposed are for guidance only, and actual costs will be determined upon completion of the improvements. The above total represents eligible Project Costs. Only such amounts as are feasible will be allowed by the City or by monetary obligation.

¹District shall mean the Tax Increment District.

²SDCL §11-9-15 (1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; the clearing and grading of land; and the amount of interest payable on tax incremental bonds or notes issued pursuant to this chapter until such time as positive tax increments to be received from the district, as estimated by the Project Plan, are sufficient to pay the principal of and interest on the tax incremental bonds or notes when due; (2) Financing costs, including all interest paid to holders of evidences of indebtedness issued to pay for Project Costs, any premium paid over the principal amount thereof because of the redemption of such obligations prior to maturity and a reserve for the payment of principal of and interest on such obligations in an amount determined by the governing body to be reasonably required for the marketability of such obligations; (3) Real property assembly costs, including the actual cost of the acquisition by a municipality of real or personal property within a tax incremental district less any proceeds to be received by the municipality from the sale, lease, or other disposition of such property pursuant to a Project Plan; (4) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services; (5) Imputed administrative costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a Project Plan; (6) Relocation costs; (7) Organizational costs, including the costs of conducting environmental impact and other studies and the costs of informing the public of the creation of tax incremental districts and the implementation of project plans; and (8) Payments and Grants made, at the discretion of the governing body, which are found to be necessary or convenient to the creation of tax incremental districts or the implementation of project plans.

Conditions of the Developer Agreement relating to Constitutional Debt

It is specifically a condition of the proposed Developer's Agreement that the City's obligation to pay is limited to the proceeds of the positive tax increment from the TID received in to the TIF Fund. The obligation of the City to pay pursuant to the proposed Agreement does not constitute a general indebtedness of the City or a charge against the City's general taxing power. The provisions of SDCL 11-9-36 are specifically incorporated within the Agreement by reference. It is also to be specifically agreed that the City has made no representation that the proceeds from such Fund shall be sufficient to retire any indebtedness incurred by Developer. The parties further acknowledge that SDCL 11-9-25 limits the duration of allocation of the positive tax increment payments and the fund created by the TID.

Additionally, the City's obligations to make the payments set forth in the proposed Agreement shall be lawfully made from funds to be budgeted and appropriated on an ANNUAL BASIS for that purpose during the City's then current fiscal year, thus not counting towards Constitutional Debt. If at any time during the term of this Agreement, the governing body of the City shall fail or refuse to approve or authorize the funds due hereunder, then the Agreement shall terminate upon the end of the fiscal year for which funds were approved or authorized, without penalty to the City. The City's obligation hereunder shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of the City. Notwithstanding anything to the contrary contained in the proposed Agreement, the City hereby acknowledges and agrees that the obligations of the City under this Agreement are a material inducement for Developer to incur various development and construct improvements upon the TID property and the failure to pay tax increment to Developer will be financially detrimental to future improvements on said property.

The Developer anticipates the project costs in acquiring, developing, financing and preparing the TIF Property for sale, lease and/or development will meet or exceed Five Million Dollars (\$5,000,000). Certain of these costs would be considered TIF-eligible costs within the meaning of SDCL § 11-9-14 and SDCL § 11-9-15. It is also anticipated that the City's cost for the portion of the sanitary sewer line to be installed by the City on the Property will exceed One Million Dollars (\$1,000,000), and also be considered TIF-eligible costs as an administrative fee. Developer anticipates requesting reimbursement of those eligible reimbursement costs that relate to site work, street and utility build-out, and engineering, together with financing costs. It is anticipated the City will seek reimbursement of the TIF-eligible sewer project costs, and that the parties would allocate increment payments arising from the TIF 50% to Developer and 50% to the City.

It is further understood that the amount of \$5,000,000 will be the maximum amount the City will ever pass on acting as a conduit for TIF #2. This amount will include any and all interest associated with the debt and the controlling value of the TIF will never pay more than \$5,000,000. The City of Crooks and the Developer will share a 50/50 revenue split until the City receives \$1,000,000. The Developer will receive the remaining Tax Increment Revenue thereafter or 20 years from the year of creation, whichever happens first.

The payment of tax increment funds under this Agreement is a Grant under Chapter 11-9 of the South Dakota Codified Laws (the "Grant"). The Grant is a personal property right vested with the Developer on the effective date of this Agreement. The City will Grant this amount to the Developer and thus not have to account for any assets on the City's financial statement. The Developer will be responsible for obtaining their financing and the City will not be liable for any Developer debt.

Upon completion of the construction of the infrastructure improvements, the Developer shall certify to the City's Finance Officer the costs of construction, including capital costs, Professional Fees, and contingency costs. The Developer must provide contractor/supplier invoices or other supporting documentation upon request of the Finance Officer. Upon certification and verification of costs, the City shall pay all available tax increment fund revenues not to exceed \$4,000,000 to the Developer.

Expenditures Exceeding Estimated Cost

Any expenditures, which in sum would exceed the total amount of the TID amount of \$5,000,000, will require an amendment of this Plan. All amendments would be undertaken pursuant to SDCL §11-9-23.

When the expenditures within the Plan are increased in excess of more than 35 percent of the total above, the Department of Revenue will be required to reset the base, in accordance with SDCL §11-9-23.

If the Project Costs are not provided for in the original plan, the governing body would be required to amend the plan which requires the South Dakota Department of Revenue to re-determine the tax increment base when additional Project Costs are added to a plan. SDCL §11-9-23.

Detailed List of Estimated Project Costs

Attached as Schedule 1 is a detailed list of estimated Project Costs for the project as per SDCL § 11-9-13(3). No expenditure for Project Costs is provided for more than five years after the District is created.

Feasibility Study, Economic Development Study, and Fiscal Impact Statement

Feasibility Study

An economic feasibility study per SDCL § 11-9-13(2) is attached as Schedule 2.

Economic Development Study

Attached is Schedule 3 a Fiscal Impact Statement showing the impact of the Tax Increment District, until and after the bonds are repaid, upon all entities levying property taxes in the district. Required as per SDCL § 11-9-13(4).

Fiscal Impact Statement

Attached is Schedule 4 a Fiscal Impact Statement showing the impact of the Tax Increment District, until and after the bonds are repaid, upon all entities levying property taxes in the district. Required as per SDCL § 11-9-13(4).

METHOD OF FINANCING, TIMING OF COSTS AND MONETARY OBLIGATIONS

The payment of Project Costs is anticipated to be made by the City to Developer from the special fund of the Tax Incremental District. SDCL § 11-9-13(5). Pursuant to the Developer's Agreement, the City and the developer will share a 50/50 revenue split until the City receives \$1,000,000. The Developer will receive the remaining Tax Increment Revenue thereafter.

Maximum Amount of Tax Increment Revenue

The maximum amount of tax increment revenue bonds or monetary obligations to be paid through Tax Increment District #2 shall be the amount sufficient to reimburse the City for the payments made for Project Costs and pay all tax increment bonds or monetary obligations in an amount not to exceed \$5,000,000 principal and interest or such lesser amount as may be feasible with the estimated revenue generated by the Tax Increment District. The final terms and conditions will be set forth in the Developer's Agreement.

Duration of Tax Increment Plan

The duration of the Plan will extend to the number of years it will take for the reimbursement of the City, the extinguishment of bonds and the monetary obligation except that the Plan duration **shall not exceed 20 calendar years** of revenue from the year of creation of the District.

ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON REVENUES OF TAXING JURISDICTIONS

The site will generate taxes to the local jurisdictions at or above the assessed value of the base. All taxing districts shall receive the taxes from that base which will be the value set for the 2021 assessment year for taxes payable in 2022. The tax increment will be available to the taxing jurisdictions after dissolution, which is at or before twenty years after the creation of the District. Schedule 5 details the tax capture implications to each of the local taxing jurisdictions. After the repayment of all bonds and monetary obligations, taxing entities will receive their proportionate share of tax dollars for the base value and the tax incremental values.

GENERAL FUND

Mechanisms are built within State Codified Law to ensure that school districts are held harmless by TIF districts for their General Fund. For these purposes, law (SDCL 13-13-10.2) defines three classifications of TIFs:

- Economic Development - Any area where there is or will be one or more businesses engaged in any activity defined as commercial or industrial by the governing body that has zoning authority over the land contained within the tax incremental district
- Industrial - Any factory or any business engaged primarily in the manufacturing or assembly of goods, the processing of raw materials, and the wholesale distribution of products for resale
- Affordable Housing - Includes an area where: 1. The original selling price of any house in the district will be at or below the first-time homebuyer purchase price limit being used by the South Dakota Housing Development Authority as of the date the house is sold; OR 2. The monthly rental rate of all multifamily housing units in the district will be at or below the calculated rent for the state's eighty percent area median income as of the date the district is created, for a minimum of five years following the date of first occupancy.
- Local - Any tax incremental districts that do not fall under Economic Development or Industrial

Public school districts are generally funded through the State Aid to Education formula. The two primary channels of the formula are State Aid and Local Effort. Multiple agencies of the State of South Dakota calculate the amount of General Fund monies to be distributed to school districts each year through the State portion. Local effort is considered the amount of revenue that is generated by local property taxes at maximum levies.

If a TIF is classified as Economic Development, Industrial, or Affordable Housing, the school funding that would be generated by the increment valuation is considered lost local effort and is paid through the State Aid side of the formula. If a TIF is classified as Local, the affected school district funding must be recouped through local effort in the form of an additional levy added to the General and Special Education Funds. In either scenario, the school district receives the financial need associated with the increment valuation.

City of Crooks TIF #2 has already received the preliminary classification from the Department of Revenue. The TIF is considered Economic development; therefore, any lost local effort of the General Fund will be covered through the State Aid to Education Formula.

CAPITAL OUTLAY FUND

The impact of a TIF to the Capital Outlay Fund is minimal. Starting on July 1, 2020, a school district is limited to the amount of capital outlay dollars they can receive by either:

- A. the previous year's maximum allowable can be increased by a growth factor plus 3%
- Or
- B. a per student amount.

The primary impact would be to the first scenario; a TIF would delay annual growth until the TIF is completed. However, once the TIF is dissolved, all increment value would be considered new growth for the school district.

If a school district falls under a per student limitation, they will see no impact to their funding due to the TIF.

SPECIAL EDUCATION FUND

The Special Ed Fund has the potential to see the greatest negative impact from the creation of a TIF district.

If the school district requests their special education monies in the form of a levy, then the exclusion of the TIF increment in the tax base would mean the school district is not receiving as much as it could.

If the school district submits their request in a dollar amount, then the fund would see no impact from a TIF district.

BOND REDEMPTION FUND

The school district is always able to ask for the needed money for the principal and interest of their bond repayment. The only impact a TIF would have on this fund is by holding back the increment value, lowering tax base for the spreading of the tax burden and creating a slightly higher levy for the local taxpayers.

MAPS

The Conditions map, SDCL § 11-9-16(1), is included as Attachment 2.

The Improvements map, SDCL § 11-9-16(2), is included as Attachment 3.

The Zoning Map, SDCL § 11-9-16(3), is included as Attachment 4.

SUPPLEMENTARY FINDINGS

CHANGES TO CITY COMPREHENSIVE / MASTER PLAN MAP, BUILDING CODES & CITY ORDINANCES PER SDCL §11-9-16 (4)

No changes to City ordinances nor the City Master Plan are required.

LIST OF ESTIMATED NON-ELIGIBLE PROJECT COSTS

The following is an estimated list of the non-Project Costs per SDCL § 11-9-16(5). All costs are listed as taxable value; actual non-project costs will exceed the following amounts.

Item	Amount
Town Homes, Commercial Businesses, Senior Living Facility	\$25,000,000+
TOTAL ESTIMATED	\$25,000,000+

STATEMENT OF DISPLACEMENT AND RELOCATION PLAN

No residents or families will be displaced by the Project. SDCL § 11-9-16(6)

PERFORMANCE BOND, SURETY BOND OR OTHER GUARANTY

As security for its fulfillment of the agreement with the governing body, a purchaser or lessee of redevelopment property may furnish a performance bond, with such surety and in such form and amount as the governing body may approve or make such other guaranty as the governing body may deem necessary in the public interest. This additional security may be provided for in a Developer's Agreement.

LIST OF SCHEDULES

SCHEDULE 1 - Estimated Project Cost

SCHEDULE 2 - Economic Feasibility Study & Estimated Captured Taxable Values

SCHEDULE 3 - Economic Development Study

SCHEDULE 4 - Fiscal Impact Statement

LIST OF ATTACHMENTS

Attachment 1 - Descriptions of Real Property

Attachment 2 - Conditions map, SDCL § 11-9-16(1)

Attachment 3 - Improvements map, SDCL § 11-9-16(2)

Attachment 4 - Zoning Change Map SDCL § 11-9-16(3)

SCHEDULE 1

DETAIL OF PROJECT COSTS

The following are estimate TIF eligible costs for the project as provided by the Project Engineers.

ENGINEER'S ESTIMATE OF PROBABLE COST WILLOW CREEK RIDGE ADDITION GRADING AND EROSION CONTROL - COMMERCIAL TIF

ITEM NO.	SF BID ITEM NO.	ITEM DESCRIPTION	UNIT	APPROX. QUANTITY	UNIT PRICE	TOTAL
		GENERAL				
1	9.0010	Mobilization	LS	1.0	\$ 35,000.00	\$ 35,000.00
2	120.0010	Unclassified Excavation	CuYd	127,050.0	\$ 2.75	\$ 349,387.50
3	120.0100	Unclassified Excavation, Digouts	CuYd	200.0	\$ 8.00	\$ 1,600.00
4	120.6100	Water for Embankment	MGal	1,778.7	\$ 1.50	\$ 2,668.05
5	230.0010	Placing Topsoil	CuYd	13,560.0	\$ 4.00	\$ 54,240.00
6	230.0300	Salvage Topsoil	CuYd	18,450.0	\$ 2.00	\$ 36,900.00
7	950.5700	Locating Utility	Each	1.0	\$ 200.00	\$ 200.00
8	950.5710	Verify Utility	Each	1.0	\$ 200.00	\$ 200.00
		STORM SEWER				
9	450.0193	42" RCP Class 3, Furnish	Ft	465.0	\$ 38.00	\$ 17,670.00
10	450.0200	42" RCP, Install	Ft	465.0	\$ 26.00	\$ 12,090.00
11	450.2024	42" RCP Flared End, Furnish	Each	1.0	\$ 525.00	\$ 525.00
12	450.2025	42" RCP Flared End, Install	Each	1.0	\$ 300.00	\$ 300.00
13	700.0110	Class B Rip Rap	Ton	180.0	\$ 26.00	\$ 4,680.00
14	831.0110	Type B Drainage Fabric	SqYd	260.0	\$ 3.00	\$ 780.00
15	110.5510	Salvage Pipe End Section	Each	1.0	\$ 200.00	\$ 200.00
16	450.9001	Reset Pipe End Section	Each	1.0	\$ 300.00	\$ 300.00
17	462.0100	Class M6 Concrete	CuYd	8.2	\$ 850.00	\$ 6,970.00
18	480.0100	Reinforcing Steel	Lb	599.0	\$ 2.00	\$ 1,198.00
19	670.1400	Frame and Cover-Type 1 Junction Box	Each	2.0	\$ 670.00	\$ 1,340.00
		TRAFFIC CONTROL				
20	634.0100	Traffic Control	Unit	220.0	\$ 3.50	\$ 770.00
21	634.0120	Traffic Control, Miscellaneous	LS	1.0	\$ 300.00	\$ 300.00
		EROSION CONTROL				
22	730.0251	Permanent Seed Mixture 1	LB	603.1	\$ 7.00	\$ 4,221.83
23	730.0252	Permanent Seed Mixture 2	LB	55.0	\$ 15.00	\$ 825.00
24	731.0100	Fertilizing	LB	1,876.0	\$ 0.80	\$ 1,500.78
25	731.0210	Weed Control - Project	LS	1.0	\$ 1,500.00	\$ 1,500.00
26	732.0100	Mulching	TON	37.5	\$ 200.00	\$ 7,503.90
27	734.0151	9" Diameter Erosion Control Wattle	LF	80.0	\$ 6.00	\$ 480.00
28	734.5010	Sweeping	Hour	8.0	\$ 150.00	\$ 1,200.00
29	734.6001	Temporary Vehicle Tracking Control	EA	1.0	\$ 1,200.00	\$ 1,200.00
30	734.6005	Temporary Diversion Dike	Ft	2,265.0	\$ 1.50	\$ 3,397.50
31	Special	Temporary Silt Ditch	Ft	1,385.0	\$ 2.50	\$ 3,462.50
32	Special	Initial Erosion Control Sediment Trap Berm	EA	1.0	\$ 2,500.00	\$ 2,500.00
33	Special	Sediment Trap	EA	4.0	\$ 3,000.00	\$ 12,000.00

Subtotal: \$ 570,000.00

with Engineering/Testing/Staking @ 10% \$57,000.00

Contingency @ 10% \$57,000.00

Total: \$ 680,000.00

STREET and UTILITY IMPROVEMENTS - COMMERCIAL TIF

ITEM NO.	SF BID ITEM NO.	ITEM DESCRIPTION	UNIT	APPROX. QUANTITY	UNIT PRICE	TOTAL
		GENERAL				
1	9.0010	Mobilization	LS	1.0	\$ 60,000.00	\$ 60,000.00
2	110.0300	Remove Concrete Curb & Gutter	Ft	12.0	\$ 18.00	\$ 216.00
3	110.1010	Remove Asphalt Concrete Pavement	SqYd	65.0	\$ 20.00	\$ 1,300.00
4	110.8100	Saw Existing Asphalt	LF	64.0	\$ 5.00	\$ 320.00
5	110.8110	Saw Existing PCC Concrete	LF	10.0	\$ 11.00	\$ 110.00
6	120.0010	Unclassified Excavation	CuYd	350.0	\$ 6.00	\$ 2,100.00
7	120.0100	Unclassified Excavation, Diggouts	CuYd	100.0	\$ 8.00	\$ 800.00
8	120.0480	Scarify & Recompact Subgrade	SqYd	9,630.0	\$ 1.00	\$ 9,630.00
9	230.0010	Placing Topsoil	CuYd	1,420.0	\$ 4.00	\$ 5,680.00
10	250.0020	Incidental Work, Grading	LS	1.0	\$ 2,500.00	\$ 2,500.00
11	250.0040	Incidental Work, Utilities	LS	1.0	\$ 2,500.00	\$ 2,500.00
12	260.7010	Trench Stabilization Material	Ton	50.0	\$ 28.00	\$ 1,400.00
13	260.7020	Select Fill	Ton	250.0	\$ 17.00	\$ 4,250.00
14	950.5700	Locating Utility	Each	2.0	\$ 200.00	\$ 400.00
15	950.5710	Verify Utility	Each	2.0	\$ 200.00	\$ 400.00
		SURFACING				
16	120.6200	Water for Granular Material	MGal	42.3	\$ 10.00	\$ 422.98
17	651.0860	6" Accessible Curb Ramp Sidewalk	SqFt	1,190.0	\$ 18.00	\$ 21,420.00
18	831.0050	Geotextile Fabric For Subgrade Stabilization	SqYd	9,630.0	\$ 3.50	\$ 33,705.00
19	260.1010	Aggregate Base Course	Ton	7,049.6	\$ 18.00	\$ 126,893.25
20	320.1210	Asphalt Concrete Composite, PG58-28	Ton	2,136.3	\$ 86.00	\$ 183,725.03
21	380.4010	6" PCC Fillet Section	SqYd	125.6	\$ 90.00	\$ 11,300.00
22	650.7000	Concrete Curb & Gutter Type SF66	Ft	4,220.0	\$ 18.00	\$ 75,960.00
23	650.8000	Concrete Valley Gutter 6" Thick	SqYd	60.6	\$ 90.00	\$ 5,450.00
		STORM SEWER				
24	450.0123	18" RCP Class 3, Furnish	Ft	101.0	\$ 18.00	\$ 1,818.00
25	450.0130	18" RCP, Install	Ft	101.0	\$ 20.00	\$ 2,020.00
26	450.0143	24" RCP Class 3, Furnish	Ft	84.0	\$ 26.00	\$ 2,184.00
27	450.0150	24" RCP, Install	Ft	84.0	\$ 24.00	\$ 2,016.00
28	462.0100	Class M6 Concrete	CuYd	20.5	\$ 1,000.00	\$ 20,493.00
29	480.0100	Reinforcing Steel	Lb	3,388.0	\$ 2.00	\$ 6,776.00
30	671.1100	Type Y Manhole Frame and Lid	Each	6.0	\$ 425.00	\$ 2,550.00
		WATER MAIN				
31	900.0201	6" C900 DR18 PVC Watermain	Ft	46.0	\$ 22.00	\$ 1,012.00
32	900.0202	8" C900 DR18 PVC Watermain	Ft	2,334.0	\$ 22.00	\$ 51,348.00
33	900.0402	6" MJ Gate Valve with Box	Each	4.0	\$ 1,100.00	\$ 4,400.00
34	900.0403	8" MJ Gate Valve with Box	Each	4.0	\$ 1,500.00	\$ 6,000.00
35	900.0450	Valve Box Adjustment	Each	8.0	\$ 150.00	\$ 1,200.00
36	900.0502	8" MJ Elbow 45 Degree	Each	4.0	\$ 360.00	\$ 1,440.00
37	900.0704	8"x6" MJ Tee	Each	4.0	\$ 420.00	\$ 1,680.00
38	900.0705	8"x8" MJ Tee	Each	1.0	\$ 500.00	\$ 500.00
39	900.0802	8"x6" MJ Reducer	Each	1.0	\$ 350.00	\$ 350.00
40	900.0905	8"x8" MJ Cross	Each	1.0	\$ 600.00	\$ 600.00
41	900.1002	8" MJ Plug	Each	3.0	\$ 150.00	\$ 450.00
42	900.1202	8" MJ Long Sleeve	Each	1.0	\$ 375.00	\$ 375.00
43	900.1401	6" MJ Retainer Gland	Each	16.0	\$ 55.00	\$ 880.00
44	900.1402	8" MJ Retainer Gland	Each	36.0	\$ 70.00	\$ 2,520.00
45	900.1502	Fire Hydrant	Each	4.0	\$ 3,200.00	\$ 12,800.00
46	900.1750	Connect to Existing Watermain	Each	2.0	\$ 500.00	\$ 1,000.00
47	900.6000	Water Service Trench Excavating and Backfilling	Ft	138.0	\$ 24.00	\$ 3,312.00
48	SPECIAL	City Fee for Water Service Connection (1" Service on PVC)	Each	6.0	\$ 50.00	\$ 300.00
49	900.8001	6" Watermain Bedding Material	Ft	46.0	\$ 5.00	\$ 230.00
50	900.3120	8" x 1" Water Service Tap	Each	6.0	\$ 235.00	\$ 1,410.00
51	900.3400	1" Copper Water Service Piping	Ft	138.0	\$ 10.00	\$ 1,380.00
52	900.3200	1" Water Service Curb Stop	Each	6.0	\$ 157.00	\$ 942.00
53	900.8002	8" Watermain Bedding Material	Ft	2,334.0	\$ 5.00	\$ 11,670.00
54	900.8100	Water Service Bedding Material	Ft	138.0	\$ 2.00	\$ 276.00
		SANITARY SEWER				
55	950.0103	8" Sanitary Sewer Pipe 10' to 12' Deep	Ft	636.0	\$ 24.00	\$ 15,264.00
56	950.2000	8" Sanitary Sewer Pipe Bedding Material	Ft	636.0	\$ 6.50	\$ 4,134.00
57	950.3002	8"x4" Sewer Wye/Tap	Each	6.0	\$ 150.00	\$ 900.00
58	Special	8"x6" Inserta-Tee	Each	6.0	\$ 200.00	\$ 1,200.00
59	950.3200	4" Sewer Caps/Plugs	Each	6.0	\$ 25.00	\$ 150.00
60	950.3201	6" Sewer Caps/Plugs	Each	6.0	\$ 35.00	\$ 210.00
61	950.4003	48" Manhole 10'-12' Deep	Each	2.0	\$ 3,500.00	\$ 7,000.00
62	950.4802	8" Boots for Manhole	Each	3.0	\$ 130.00	\$ 390.00
63	950.4950	4" Sanitary Sewer Service	Ft	198.0	\$ 22.00	\$ 4,356.00
64	950.4960	6" Sanitary Sewer Service	Ft	240.0	\$ 25.00	\$ 6,000.00
65	950.5000	Adjust Manhole	Each	2.0	\$ 330.00	\$ 660.00
66	950.5300	Manhole Frame and Cover	Each	2.0	\$ 400.00	\$ 800.00
67	950.5410	Manhole Construction Plate Marker	Each	2.0	\$ 150.00	\$ 300.00
68	950.5600	Manhole Exfiltration/Vacuum Test	Each	2.0	\$ 200.00	\$ 400.00
69	950.5610	Sanitary Sewer Exfiltration Testing	Ft	636.0	\$ 0.80	\$ 508.80
70	950.5620	PVC Sewer Pipe Deflection Test	Ft	636.0	\$ 0.80	\$ 508.80
		TRAFFIC CONTROL				
71	634.0100	Traffic Control	Unit	220.0	\$ 3.50	\$ 770.00
72	631.0120	Traffic Control, Miscellaneous	LS	1.0	\$ 300.00	\$ 300.00

ITEM NO.	SF BID ITEM NO.	ITEM DESCRIPTION	UNIT	APPROX. QUANTITY	UNIT PRICE	TOTAL
EROSION CONTROL						
73	730.0300	Arterial and Collector Seed Mix	LB	530.0	\$ 12.00	\$ 6,360.00
74	731.0100	Fertilizing	LB	180.0	\$ 1.00	\$ 180.00
75	731.0200	Weed Control	SqYd	8,525.0	\$ 0.10	\$ 852.50
76	731.0210	Weed Control - Project	LS	1.0	\$ 500.00	\$ 500.00
77	732.0200	Fiber Mulching	TON	1.8	\$ 1,000.00	\$ 1,800.00
78	734.0850	Temporary Inlet Protection	Each	8.0	\$ 100.00	\$ 800.00
79	734.5010	Sweeping	Hour	6.0	\$ 150.00	\$ 900.00
80	734.6001	Temporary Vehicle Tracking Control	Each	1.0	\$ 2,400.00	\$ 2,400.00
81	734.6006	Concrete Washout Area	Each	1.0	\$ 250.00	\$ 250.00
LIGHTING						
82	Special	Street Lighting	Each	10.0	\$ 3,500.00	\$ 35,000.00

Subtotal: \$ 790,000.00

with Engineering/Testing/Staking @ 10% \$79,000.00

Contingency @ 10% \$79,000.00

Total: \$ 950,000.00

A	Special	School District Reimbursement (Half of Dianne & Hannah)	LF	1714.0	\$ 210.27	\$360,000.00
B	Special	Developer Reimbursement For Dianne Street Adjacent to School	LF	460.0	\$ 210.27	\$100,000.00

After School District Reimbursement and Developer Payment for School Constructed Street: \$ 690,000.00

Alternate 1 - Sanitary Trunk Sewer						
ITEM NO.	SF BID ITEM NO.	ITEM DESCRIPTION	UNIT	APPROX. QUANTITY	UNIT PRICE	TOTAL
83	950.4003	48" Manhole 10'-12' Deep	Each	2.00	\$ 3,800.00	\$ 7,600.00
84	950.4005	48" Manhole 14'-16' Deep	Each	2.00	\$ 4,200.00	\$ 8,400.00
85	950.3202	8" Sewer Caps/Plugs	Each	4.00	\$ 150.00	\$ 600.00
86	950.4802	8" Boots for Manhole	Each	4.00	\$ 150.00	\$ 600.00
87	950.4803	10" Boots for Manhole	Each	7.00	\$ 175.00	\$ 1,225.00
88	950.0103	8" Sanitary Sewer Pipe 10' to 12' Deep	Ft	40.00	\$ 26.00	\$ 1,040.00
89	950.0105	8" Sanitary Sewer Pipe 14' to 16' Deep	Ft	120.00	\$ 30.00	\$ 3,600.00
90	950.0203	10" Sanitary Sewer Pipe 10' to 12' Deep	Ft	154.00	\$ 51.00	\$ 7,854.00
91	950.0204	10" Sanitary Sewer Pipe 12' to 14' Deep	Ft	340.00	\$ 56.00	\$ 19,040.00
92	950.0205	10" Sanitary Sewer Pipe 14' to 16' Deep	Ft	644.00	\$ 60.00	\$ 38,640.00
93	950.1000	8" Sanitary Sewer Pipe Bedding Material	Ft	160.00	\$ 10.00	\$ 1,600.00
94	950.2000	10" Sanitary Sewer Pipe Bedding Material	Ft	1138.00	\$ 6.50	\$ 7,397.00
95	950.5300	Manhole Frame and Cover	Each	4.00	\$ 500.00	\$ 2,000.00
96	950.5410	Manhole Construction Plate Marker	Each	4.00	\$ 100.00	\$ 400.00
97	950.5600	Manhole Exfiltration/Vacuum Test	Each	4.00	\$ 200.00	\$ 800.00
98	950.5000	Adjust Manhole	Each	4.00	\$ 330.00	\$ 1,320.00
99	950.5610	Sanitary Sewer Fxfiltration Testing	Ft	1138.00	\$ 1.00	\$ 1,138.00
100	950.5620	PVC Sewer Pipe Deflection Test	Ft	1138.00	\$ 1.25	\$ 1,422.50

Subtotal: \$ 105,000.00

with Engineering/Testing/Staking @ 10% \$10,500.00

Contingency @ 10% \$10,500.00

Total Construction Estimate: \$ 126,000.00

Summary of Estimated Costs

Hanna Trail 1275' Long, 28' Wide, 66' ROW, 4" Asphalt, 6" Gravel (+6 for total 12"), Fabric, Sanitary Sewer, Watermain, Storm Sewer
Dianne St. 984' Long, 34' Wide, 80' ROW, 5" Asphalt, 9" Gravel (+3 for total 12"), Fabric, Sanitary Sewer, Watermain

The following table shows the original project costs for the City of Crooks TIF #2 in June 2022.

Crooks - Willow Creek Ridge Addition

Developer Expenses	Allowable TIF Expenses	TIF Requested
Sanitary	\$126,000	\$ 126,000
Land (Purchase Price - 49.3 acres @ \$19,500)	\$961,350	\$ 214,000
Grading & Erosion Control	\$757,686	\$ 680,000
Street & Utilities	\$2,675,188	\$ 1,680,000
Engineering (includes soil tests)	\$150,000	\$ -
Legal	\$25,000	\$ -
Interest (Bank Loan)	\$300,000	\$ 300,000
Closing Costs/Insurance/Contingency	\$500,000	
	\$5,495,224	\$ 3,000,000
Administrative Fee - Payable to City of Crooks	\$1,000,000	\$ 1,000,000

The Following table shows the revised project costs for the City of Crooks TIF #2 in December 2022.

Developer Expenses	Allowable TIF Expenses	TIF Requested
Sanitary	\$ 126,000	\$ 126,000
Land (Purchase Price - 49.3 acres @ \$19,500)	\$ 961,350	\$ 214,000
Grading & Erosion Control	\$ 757,686	\$ 685,000
Street & Utilities	\$ 2,675,188	\$ 2,675,000
Engineering (Includes soil tests)	\$ 150,000	
Legal	\$ 25,000	
Interest (Bank Loan)	\$ 300,000	\$ 300,000
Closing Costs/Insurance/Contingency	\$ 500,000	
	\$ 5,495,224	\$ 4,000,000
Administrative Fee - Payable to the City of Crooks	\$ 1,000,000	\$ 1,000,000

It should be noted in the reimbursement expenses, the Developer has calculated the cost associated with the School District expense related to Diane Street, and the Developer will complete those improvements, or reimburse to the School their costs associated with the improvements from the proceeds of the Tax Increment District #2.

The City and the Developer will share a 50/50 revenue split until the City receives \$1,000,000. The Developer will receive the remaining Tax Increment Revenue thereafter. At no time shall the TIF Revenue exceed 20 years from the year of creation.

Estimates TID Eligible of Project Costs Requested

The City of Crooks has determined that this will be an economic development Tax Increment District, thus the eligible cost will be in the form of an infrastructure Grant that will not exceed \$5,000,000. This is a permitted use under SDCL 11-9-15.

11-9-15. Specific items included in project costs. Project costs include:

- (1) Capital costs, including the actual costs of the construction of public works or improvements, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, permanent fixtures; the acquisition of equipment; the clearing & grading of land; & the amount of interest payable on tax incremental bonds issued pursuant to this chapter until such time as positive tax increments to be received from the district, as estimated by the project plan, are sufficient to pay the principal of & interest on the tax incremental bonds when due;
- (2) Financing costs, including all interest paid to holders of evidences of indebtedness issued to pay for project costs, any premium paid over the principal amount thereof because of the redemption of such obligations prior to maturity and a reserve for the payment of principal of and interest on such obligations in an amount determined by the governing body to be reasonably required for the marketability of such obligations;
- (3) Real property assembly costs, including the actual cost of the acquisition by a municipality of real or personal property within a tax incremental district less any proceeds to be received by the municipality from the sale, lease, or other disposition of such property pursuant to a project plan;
- (4) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;
- (5) Imputed administrative costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a project plan;
- (6) Relocation costs;
- (7) Organizational costs, including the costs of conducting environmental impact and other studies and the costs of informing the public of the creation of tax incremental districts and the implementation of project plans; and

(8) Payments and grants made, at the discretion of the governing body, which are found to be necessary or convenient to the creation of tax incremental districts, the implementation of project plans, or to stimulate and develop the general economic welfare and prosperity of the state.

SCHEDULE 2

ECONOMIC FEASIBILITY STUDY & TAXABLE VALUE

The City has been asked to create a Tax Increment District to help offset the expansion associated with this project. This feasibility study provides that the Project Costs can be financed through tax increment financing under South Dakota Tax Incremental District Law (South Dakota Codified Laws Chapter 11-9). Tax increment financing is an indispensable self-financing tool used throughout the United States to help local governments successfully develop and redevelop areas and encourage economic development.

In tax increment financing, the current real property tax assessed value of all properties in a designated project area (“tax increment financing district”) is established as the “base value.” As development in the tax increment financing district increases the assessed values of the redeveloped properties, a portion of the additional tax revenue generated by the increase in assessed value over the base value is set aside and committed by the City to the reimbursement of approved project costs.

Tax increment financing is permitted only in connection with a “Project Plan” duly adopted by the City. The property is currently estimated to have a taxable value of \$136,700. The improvements to be made to the property are estimated to add to the assessed valuation. The estimated increment resulting from the improvements would be approximately \$25,000,000+ in new value once fully developed. Since only positive tax increment will be applied, the proposed project is feasible.

All of the project costs are found to be necessary and convenient to the creation of the Tax Incremental District and the implementation of the project.

For purposes of this Project Plan, the Developer is projecting that the infrastructure and site improvements will be built through up to potentially 4 phases and fully developed by calendar year 2025.

The City’s role is to simply act as a conduit for the revenue and pass on all positive increment to the Developer and to reimburse the City for their expenses, of which, will never exceed \$5,000,000 in total payments, or 20 years, whichever comes first.

It is assumed that all obligations incurred would be adequately secured as to allow the payment of principal and interest when due, whether by means of a taxable bond or loan. The actual repayment schedule may change, but all principal and interest shall be paid within the life of the TID. Utilizing the information regarding expected increment valuation and tax generation, it is possible to estimate an expected revenue stream that can be utilized to retire debt that will be created as a result of implementing the Project Plan.

City of Crooks TID #2 is proven feasible based upon the projections made by the Developer, projecting a total in excess of \$5,000,000 in tax revenue during the life of the 20-year TIF.

The calculations of the estimated tax increment valuation and tax generated for the TID can be found in the following tables. For purposes of this Project Plan, it is anticipated no increment generated by City TID #2 will be available until the earliest of calendar year 2024 and thereafter.

TID Tax Revenue Estimates Available for City of Crooks

This project will have properties that are classified as Non-Ag Other. Listed below is a preliminary projection of the potential of the development and the increment

Date		11/7/2022			
Year	TIF Revenue/ Annual	Developer	Cumulative	City	
2025	\$ 264,378.15	\$ 132,189.08	\$ 132,189.08	\$	132,189.08
2026	\$ 326,480.40	\$ 163,240.20	\$ 295,429.28	\$	163,240.20
2027	\$ 422,295.30	\$ 211,147.65	\$ 506,576.93	\$	211,147.65
2028	\$ 520,771.73	\$ 260,385.86	\$ 766,962.79	\$	260,385.86
2029	\$ 621,909.68	\$ 388,872.46	\$ 1,155,835.25	\$	233,037.21
2030	\$ 621,909.68	\$ 621,909.68	\$ 1,777,744.93	\$	1,000,000.00
2031	\$ 621,909.68	\$ 621,909.68	\$ 2,399,654.60		
2032	\$ 621,909.68	\$ 621,909.68	\$ 3,021,564.28		
2033	\$ 621,909.68	\$ 621,909.68	\$ 3,643,473.95		
2034	\$ 621,909.68	\$ 621,909.68	\$ 4,265,383.63		
2035	\$ 621,909.68	\$ 621,909.68			
2036	\$ 621,909.68	\$ 621,909.68			
2037	\$ 621,909.68	\$ 621,909.68			
2038	\$ 621,909.68	\$ 621,909.68			
2039	\$ 621,909.68	\$ 621,909.68			
2040	\$ 621,909.68	\$ 621,909.68			
2041	\$ 621,909.68	\$ 621,909.68			
2042	\$ 621,909.68	\$ 621,909.68			
Total	\$ 10,862,570.70	\$ 9,240,661.03			

Projections are based on the following
 Assisted Living assessed at \$11,500,000
 10 homes built a year for 5 years
 Valuation of homes at \$340,000 and increasing every year

SCHEDULE 3

ECONOMIC DEVELOPMENT STUDY

Introduction

The City of Crooks has been approached concerning the creation of a tax increment district (TID) located within the City's limits. Per South Dakota Codified Law 11-9-8, the governing body must make a finding that not less than 50%, by area, of the real property within the district will stimulate and develop the general economic welfare and prosperity of the State through the promotion and advancement of industrial, commercial, manufacturing, agricultural and natural resources, and the improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the district.

Study Area Boundary

The Project boundaries are described and depicted on the maps in Attachments 1 and 2 of this Plan.

Establishing Economic Development

South Dakota law describes economic development as activity that stimulates and develops the general economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources. The definition of Economic Development for State Aid to Education Formula purpose is any area where there is or will be one or more businesses engaged in any activity defined as commercial or industrial. The proposed City of Crooks TID #2 meets both of these criteria.

The area within the boundaries of the TIF is generally located southern edge of the City of Crooks, west of Highway 137. The project includes 49.3 acres of agricultural land to be development into a multi-family, single family residential, commercial area, and a senior living facility.

The infrastructure of the project is expected to be completed by 2022 calendar year.

Finding That the Improvements to the Area Are Likely to Enhance Significantly the Value of Substantially All of The Other Real Property in The District

It is definitively found that once the improvements set forth within the Project Plan are initiated, the improvements will enhance significantly the value of substantially all of the other real property in the district. The City of Crooks TID #2 will have a tremendous economic impact on the region's infrastructure advancement and the labor force.

Conditions Within the Study Area; Land Use and Planning Land Use, Planning and Comprehensive Plan

The City of Crooks Comprehensive Plan is consistent with the proposed use of the District.

Findings within the Project Area Analysis

It is found that not less than 50%, by area, of the real property within the District will stimulate and develop the general economic welfare and prosperity of the State of South Dakota through the promotion and advancement of industrial, commercial, manufacturing, agricultural, and natural resources. It is also found that the improvement of the area is likely to enhance significantly the value of substantially all of the other real property in the District in accordance with SDCL 11-9-8.

The Project area is 49.3-acre tract of land in Benson's 3rd Addition in the City of Crooks. The Tax Increment will be used to offset the necessary infrastructure improvements related to sanitary, water and streets. These improvements will lead to the development of a multi-family project, commercial development, and a senior living facility

The investment in the Project area will stimulate and develop the general economic welfare and prosperity of the region through the promotion of employment by providing multi-family affordable housing and commercial development.

Schedule 4

FISCAL IMPACT STATEMENT FOR CITY OF CROOKS TID #2

Introduction

A fiscal impact statement shows the impact of the TID, both until and after the bonds or obligations are repaid, upon all entities levying taxes upon property in the District. The following fiscal impact statement is intended to provide only a brief analysis of the estimated impact of the Tax Increment District to the public pursuant to SDCL § 11-9-13(4). It is not intended to challenge a more detailed, complete financial analysis.

Definitions

“Assumptions” means factors or definitions used in the fiscal analysis. Assumptions may include facts and figures identified by the District and educated guesses that are sometimes necessary when not all of the information is available. Assumptions are often used to extrapolate an estimate. Assumptions may include an estimate of tax levies of each taxing entity, the school aid formula contribution, the value of the real property, etc.

“Base Revenues” means the taxes collected on the base value.

“Fiscal Impact” means the increase or decrease in revenues and generally refers to an impact to revenues caused by the district.

“Revenue” means ad valorem taxes.

“Tax Increment District” means City of Crooks Tax Increment District Number 2.

“Taxing Districts” means all political subdivisions of the state which have ad valorem taxing power over property within the boundaries of the Tax Increment District.

“Tax Increment Revenues” means all revenues above the Base Revenues.

Assumptions

1. The property will have improvements, which at completion, are estimated at taxable purposes up to \$25,000,000+
2. The average tax levy of all taxing districts will be \$19.715 per thousand dollars of taxable valuation.
3. Tax increment will start to be collected in 2025 and end prior to 2042.
4. The discretionary formula will be waived by Developer.

SCHEDULE 5

ESTIMATED CAPTURED TAXABLE VALUES

For purposes of this Project Plan, Developer assumes that **Developer will elect not to use the real property tax discretionary formula** currently utilized in City of Crooks, South Dakota, pertaining to payment of real property taxes (i.e., 20% Year 1; 40% Year 2; 60% Year 3; 80% Year 4; and 100% Year 5).

* Actual valuation shall depend upon the value determined by the Minnehaha County Director of Equalization when assessed, with the application of dollars-per-thousand from local taxes. All tax increment revenues shall be from Generally Applicable Taxes attributable to the improvements to be constructed in the TID. The potential for total increment collections are estimated to be at the maximum range of \$4,000,000 covering a span of captured tax years not to exceed 20. Collection is anticipated to begin in 2021, and the schedule carries out the tax captured 20 years from the date of Plan adoption.

The following dollars-per-thousand rates are the current taxing rates of the local taxing jurisdictions for Non-AG Other property types:

2022 Property Tax Rate

2021 Payable in 2022	\$ per \$1,000 assessed
City of Crooks	\$ 2.671
Minnehaha County	\$ 3.322
Water District	\$ 0.023
Rural Fire	\$ 0.138
Rural Library	\$ 0.301
<u>School District "00"</u>	<u>\$ 13.260</u>
Total Tax Levy	\$19.715

Utilizing the information regarding expected increment valuation and tax generation, it is possible to generate an expected revenue stream that can be utilized to retire debt that will be created as a result of implementing the Project Plan.

ATTACHMENT 1

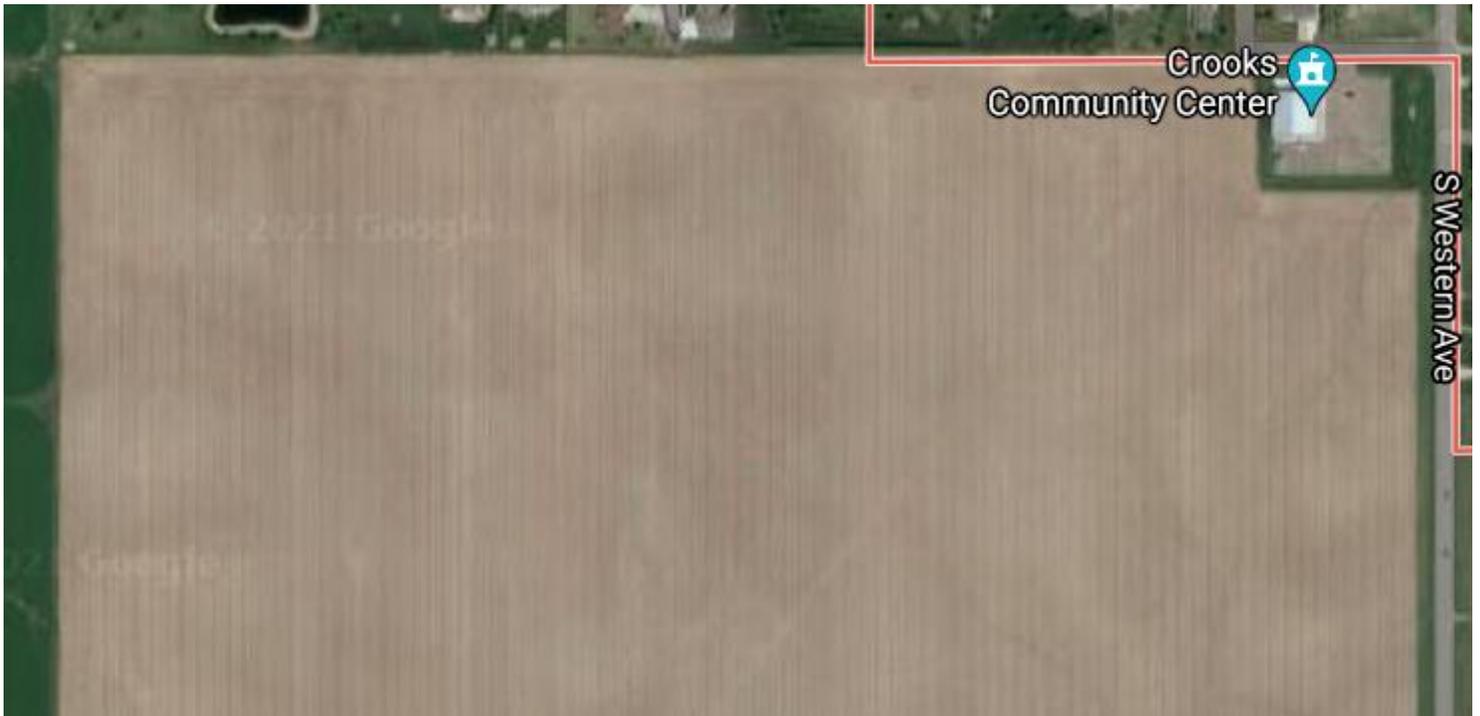
DESCRIPTIONS OF REAL PROPERTY:

- Tract 1 of Benson's 3rd Addition, an addition in the Northeast Quarter and the Southeast Quarter of Section 10, Township 102 North, Range 50 West of the 5th Principal Meridian, Minnehaha County, South Dakota, except Lots H-1, H-2 and H-4 contained therein and except Lot 1 of Tri-Valley Addition

ATTACHMENT 2

Conditions picture for City of Crooks Tax Incremental District #2, SDCL § 11-9-16(1)

The following is a picture showing the current conditions of the proposed location of TIF #2



ATTACHMENT 3

Improvements map for City of Crooks Tax Incremental District #2, SDCL § 11-9-16(2).

The following is a plat map of the Tax Increment District 2. This area represents where the Developer will install the public utilities for a potential multi-family / townhome development along with Commercial property.



ATTACHMENT 4

Zoning Map for City of Crooks Tax Incremental District #2, SDCL § 11-9-16(2).

Crooks Official Zoning Map

Updated: Oct 26, 2022

Zoning Districts:

- A1 (County Zone)
- NRC Natural Resource Conservation
- R-1 Single Family Residential
- R-2 Multi-Family Residential
- CB Central Business
- GB General Business
- LI Light Industrial
- HI Heavy Industrial
- City Limits

0 5501,100 2,200
Feet



This is to certify that this is the Official Zoning Map referred to in Section _____ of Ordinance No. _____ of Crooks, South Dakota.

Adopted this ____ day of _____

Signed: Mayor _____

Attest: Planning Offices _____

Public Hearing held by Planning Commission: _____

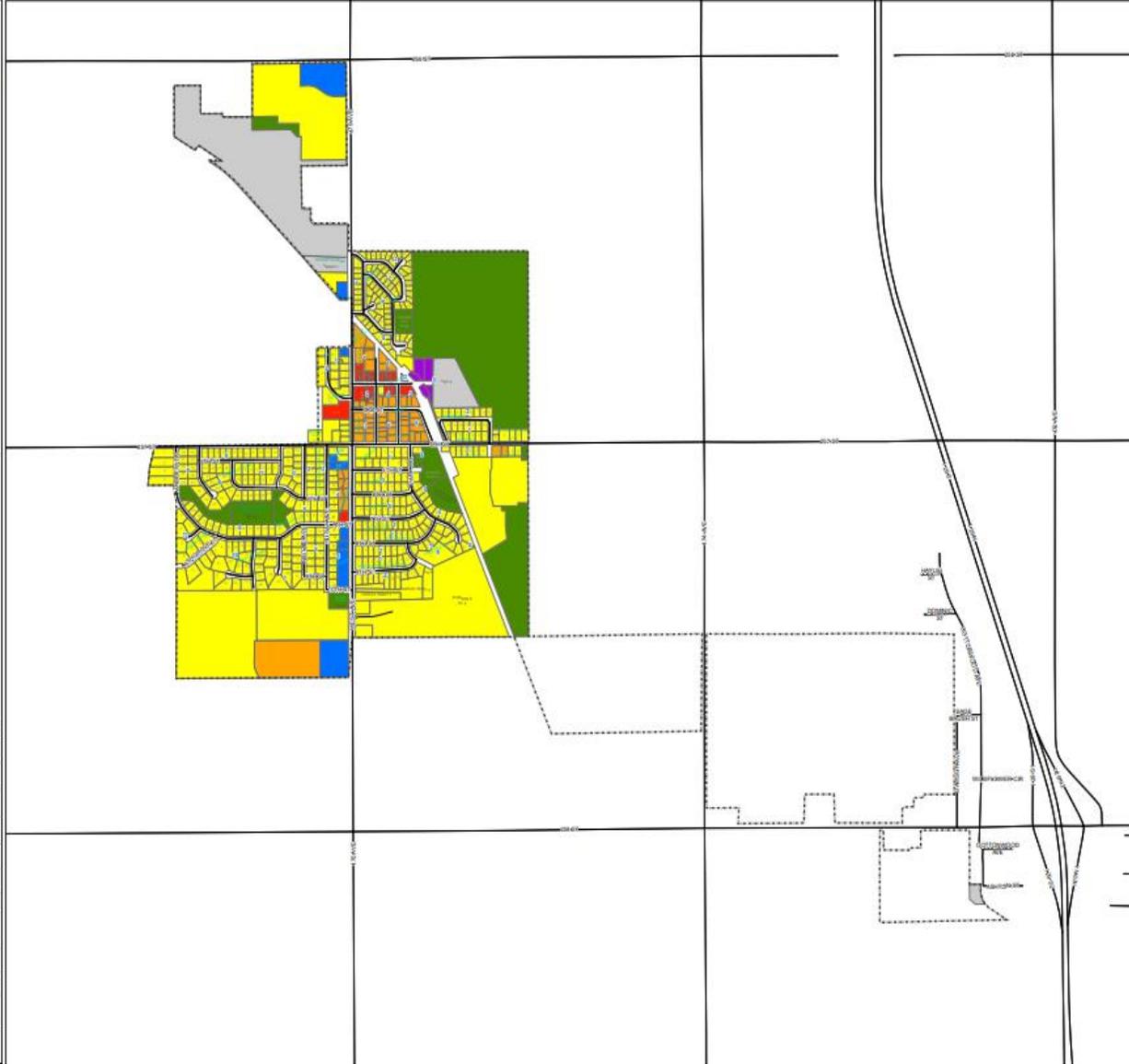
Public Hearing/Let reading held by City Council: _____

Second Reading and Adoption by City Council: _____

Publication Date: _____

Effective Date: _____

Ordinance No.	Effective Date	Comments
214	June 12, 2017	Lots 12-15 Blk 4 Orig Addn, Rezoned from CB to R-1
217	July 10, 2017	Lots 11-16 Blk 3 Orig Addn, Rezoned from R-1 to CB
Res 2018-02-02	March 21, 2018	Annexation of Lot 1 Tri-Valley Addn. Retains County zoning
257	February 27, 2020	Tract 1A LKW Addn from R-1 to CB
261	June 8, 2020	(EX N90) Lot 3A Blk 1 Allantowne Addn from R-1 to GB
262	June 8, 2020	N90 W130.18 Lot 3A Blk 1 Allantowne Addn from R-1 to GB
267	September 5, 2020	Lot 1 Tri-Valley Addn from A-1 to R-1
276	June 14, 2021	Johnson's Tract 4 & NW1/4 11 102 50 from NRC to R-1
278	July 12, 2021	Tract 2A of CDC North Addition From NRC to LI
291	December 27, 2021	Tract 1 of Benson's 3rd Addition From AG/NRC to R-1, R-2 & GB
295	May 9, 2022	Public Hearing held by Planning Commission on May 9, 2022. The Planning Commission recommended the rezoning of Lot 4 Blk 1 of Benson's 2nd Addition from AG/NRC to LI. The Planning Commission recommended the rezoning of Lot 4 Blk 1 of Benson's 2nd Addition from AG/NRC to LI. The Planning Commission recommended the rezoning of Lot 4 Blk 1 of Benson's 2nd Addition from AG/NRC to LI.
301	July 14, 2022	Lot 4 Blk 1 of Benson's 2nd Addition From AG/NRC to LI





SOUTH DAKOTA DEPARTMENT OF REVENUE

445 East Capitol Avenue • Pierre, SD 57501
(605) 773-3311 • dor.sd.gov

TO: City of Crooks
FROM: Property Tax Division, Wendy Semmler
RE: City of Crooks TIF #2
DATE: November 28, 2022

This office has received notification of a pending amendment to the City of Crooks TIF #2. SDCL 11-9-23 allows for amendments to original project plans. The certified base value will not be re-established under the condition that the increase in project costs is thirty-five percent or less than the amount approved in the original project plan.

11-9-23. Redetermination of tax increment base when project costs increased by amendment of plan.

If the municipality adopts an amendment to the original project plan for any district that includes additional project costs for which tax increments may be received by the municipality, the tax increment base for the district shall be redetermined pursuant to § 11-9-20. The tax increment base as redetermined under this section is effective for the purposes of this chapter only if it exceeds the original tax increment base determined pursuant to § 11-9-20. The provisions of this section do not apply if the additional project costs are thirty-five percent or less than the amount approved in the original project plan and the additional project costs will be incurred before the expiration of the period specified in § 11-9-13.

Counties and municipalities are responsible for oversight of Tax Increment Financing Districts. The Department of Revenue is a resource to assist with the understanding statute.

In the event you approve a resolution making changes to the original TIF project plan, please forward notification of those changes to our office.

Sincerely,

A handwritten signature in blue ink, appearing to read 'W. Semmler', is written over a light blue circular stamp.

Wendy Semmler, Director

Property Tax Division

**CROOKS PLANNING AND ZONING COMMISSION
RESOLUTION #2022-03**

**A RESOLUTION CREATING A MODIFICATION TO TAX INCREMENT
FINANCING DISTRICT NUMBER TWO, CITY OF CROOKS, AND THE
ASSOCIATED PROJECT COSTS**

WHEREAS, the Developer requests a modification to the allowable project costs associated with the creation of a tax increment financing district for purpose of developing a currently undeveloped property to augment the multi-family residential housing, commercial presence, as well as a senior living facility in the City of Crooks.

WHEREAS, the City of Crooks passed a resolution on May 31st, 2022, consenting to creating “Tax Increment Financing District Number Two, City of Crooks” (hereinafter “TIF District #2”).

WHEREAS, the City of Crooks submitted a project plan complying with the requirements of SDCL chapter 11-9 for the creation of TIF District #2 with total project costs of \$5,495,224; and

WHEREAS, the City of Crooks adopted TIF District #2 on May 31st, 2022; and

WHEREAS, due to inflation and unforeseen project costs, the City of Crooks is requesting an increase of \$1,000,000 to the project plan to an amount of \$5,000,000 which is less than 35% of the original amount approved, per SDCL 11-9-23

WHEREAS, SDCL § 11-9-23 **Redetermination of tax increment base when project costs increased by amendment of plan.** If the municipality adopts an amendment to the original project plan for any district that includes additional project costs for which tax increments may be received by the municipality, the tax increment base for the district shall be redetermined pursuant to § 11-9-20. The tax increment base as redetermined under this section is effective for the purposes of this chapter only if it exceeds the original tax increment base determined pursuant to § 11-9-20. The provisions of this section do not apply if the additional project costs are thirty-five percent or less than the amount approved in the original project plan and the additional project costs will be incurred before the expiration of the period specified in § 11-9-13.

WHEREAS, SDCL § 11-9-14 For the purposes of this chapter, the term, project costs, are any expenditures made or estimated to be made, or monetary obligations incurred or estimated to be incurred, by a municipality that are listed in a project plan as grants or costs of public works or improvements within a district, plus any incidental costs diminished by any income, special assessments, or other revenues, other than tax increments, received, or reasonably expected to be received, by the municipality in connection with the implementation of the plan.

WHEREAS, amendments to the Project Plan dated December 12th, 2022 have been updated to reflect the new amount of the total amount to be reimbursed and no expenditure may be provided for in the plan more than five years after a district is created unless an amendment is adopted by the governing body pursuant to § 11-9-23

NOW, THEREFORE, BE IT RESOLVED, THE CITY OF CROOKS PLANNING AND ZONING COMMISSION HEREBY:

- 1. Authority and Declaration of Necessity.** The Planning and Zoning Commission declares the necessity for the approval of amending TIF District #2 plan, pursuant to SDCL Chapter 11-9, and finds it necessary, to achieve the economic development goals of the City of Crooks, and thus is requesting an increase of \$1,000,000 to the project plan to an amount of \$5,000,000 which is less than 35% of the original amount approved, per SDCL § 11-9-23

- 2. Findings.** The Planning and Zoning Commission finds that there is statutory authority to refer said amendment to TIF District #2 to the Crooks City Council for their consideration.
 - a. Less than 5 years have passed since creation of the district
 - b. The additional project costs are less than 35% and thus do not constitute a redetermination of the tax increment base.
 - c. Taxing entities have been notified by First Class Mail.
 - d. South Dakota Department of Revenue has issued a letter stating the Base Value will not be changed.

- 3. Recommendation of Amending Tax Increment Plan.** The Planning and Zoning Commission of the City of Crooks does hereby adopt the amendment of TIF District #2 and recommends to the City of Crooks City Council.

Ayes:
Nays:
Abstains:

Chairman

Finance Officer

Adopted:
Published:
Effective: